

EXPANSION OF MEMBERSHIP OF THE MEDICARE PAYMENT
ADVISORY COMMISSION TO 17

OCTOBER 5, 1998.—Ordered to be printed

Mr. ARCHER, from the Committee on Ways and Means,
submitted the following

REPORT

[To accompany H.R. 4377]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 4377) to amend title XVIII of the Social Security Act to expand the membership of the Medicare Payment Advisory Commission to 17, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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I. INTRODUCTION

A. PURPOSE AND SUMMARY

H.R. 4377 expands the number of Commissioners serving on the Medicare Payment Advisory Commission (MedPAC).

B. BACKGROUND AND NEED FOR THE LEGISLATION

The Balanced Budget Act of 1997, Public Law 105–33, established the Medicare Payment Advisory Commission (MedPAC) as a result of merging two commissions, the Prospective Payment Advisory Commission and the Physician Payment Review Commission. MedPAC, like its predecessors, is a nonpartisan commission which advises Congress and makes recommendations regarding Medicare payment policies.

Section 4022 of the Balanced Budget Act detailed the criteria for membership on the Commission: The membership of the Commission shall include individuals with national recognition for their expertise in health finance and economics, actuarial science, health facility management, health plans and integrated delivery systems, reimbursement of health facilities, allopathic and osteopathic physicians, and other providers of health services, and other related fields, who provide a mix of different professionals, broad geographic representation, and a balance between urban and rural representatives.

MedPAC commissioners are appointed by the Comptroller General and serve terms of three years. The Balanced Budget Act authorizes the Commission to have fifteen commissioners. H.R. 4377 would increase the number of commissioners appointed to MedPAC to seventeen.

The addition of two commissioners would enable the commission to reflect more fully the diversity of backgrounds and interests in the health policy community. Expanding the number of commissioners would not only allow for a greater range of professional expertise but also a more diverse representation from various parts of the country.

C. LEGISLATIVE HISTORY

On Tuesday, September 15, 1998, the Subcommittee on Health ordered favorably reported to the full Committee, by voice vote, H.R. 4377, without amendment. On Friday, September 18, 1998, the Committee on Ways and Means ordered favorably reported, H.R. 4377, without amendment.

II. EXPLANATION OF PROVISION

1. *Expansion of Membership of the Medicare Payment Advisory Commission*

Current law

Section 4022 of the Balanced Budget Act established the Medicare Payment Advisory Commission (MedPAC) as a result of merging two commissions, the Prospective Payment Assessment Commission and the Physician Payment Review Commission. MedPAC,

like its predecessors, is a nonpartisan commission which advises Congress and makes recommendations regarding Medicare payment policies. The Commission reports to the Committee on Ways and Means, the House Commerce Committee and the Senate Finance Committee. MedPAC commissioners are appointed by the Comptroller General and serve terms of three years. The Balanced Budget Act authorizes the Commission to have fifteen commissioners.

Explanation of provision

H.R. 4377 increases the number of commissioners appointed to MedPAC to seventeen from the current fifteen.

Reason for change

The addition of two commissioners would enable the commission to reflect more fully the diversity of backgrounds and interests in the health policy community. Expanding the number of commissioners would not only allow for a greater range of professional expertise but also a more diverse representation from various parts of the country.

Effective date

May 1, 1999.

III. VOTE OF THE COMMITTEE

In compliance with clause 2(1)(2)(B) of rule XI of the Rules of the House of Representatives, the following statements are made concerning the votes of the Committee in its consideration of the bill:

MOTION TO REPORT THE BILL

The bill, H.R. 4377, was ordered favorably reported by voice vote on September 18, 1998, with a quorum being present.

IV. BUDGET EFFECTS OF THE BILL

A. COMMITTEE ESTIMATE OF BUDGETARY EFFECTS

In compliance with clause 7(a) of rule XIII of the Rules of the House of Representatives, the following statement is made: The Committee agrees with the estimate prepared by the Congressional Budget Office (CBO) which is included below.

B. STATEMENT REGARDING NEW BUDGET AUTHORITY AND TAX EXPENDITURES

In compliance with clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives, the Committee states that the provisions in the Committee bill, if enacted, would have no impact on direct spending.

C. COST ESTIMATE PREPARED BY THE CONGRESSIONAL BUDGET
OFFICE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 23, 1998.

Hon. BILL ARCHER,
*Chairman, Committee on Ways and Means,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4377, a bill to amend title XVIII of the Social Security Act to expand the membership of the Medicare Payment Advisory Commission to 17.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Tom Bradley.

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

H.R. 4377—A bill to amend title XVIII of the Social Security Act to expand the membership of the Medicare Payment Advisory Commission to 17

CBO estimates that enacting this bill would increase spending by \$15,000 in 1999 and by about \$30,000 annually in subsequent years, assuming appropriation of the necessary amounts. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 4377 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

H.R. 4377 would expand the membership of the Medicare Payment Advisory Commission (MedPAC) by two, from 15 to 17. The terms of the new members would begin on May 1, 1999. MedPAC expects spending for members' compensation and travel to average less than \$15,000 per commissioner in 1998 and 1999. Therefore, the bill would increase MedPAC spending by \$15,000 (half the annual cost of two commissioners) in 1999, and by \$30,000 in subsequent years.

The CBO staff contact for this estimate is Tom Bradley. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.

**V. OTHER MATTERS TO BE DISCUSSED UNDER THE
RULES OF THE HOUSE**

A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee states that the Subcommittee on Health believes that the action taken was necessary due to its oversight of the Medicare Payment Advisory Commission (MedPAC).

**B. SUMMARY OF FINDINGS AND RECOMMENDATIONS OF THE
GOVERNMENT OPERATIONS COMMITTEE**

With respect to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee states that no oversight findings or recommendations have been submitted by the Committee on Government Reform and Oversight regarding the subject of the bill.

C. CONSTITUTIONAL AUTHORITY STATEMENT

With respect to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, relating to Constitutional Authority, the Committee states that the Committee's action in reporting the bill is derived from Article I of the Constitution, Section 8 ("The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States. * * *").

**VI. CHANGES IN EXISTING LAW MADE BY THE BILL AS
REPORTED**

In compliance with the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SECTION 1805 OF THE SOCIAL SECURITY ACT

MEDICARE PAYMENT ADVISORY COMMISSION

SEC. 1805. (a) * * *

* * * * *

(c) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Commission shall be composed of **【15】** 17 members appointed by the Comptroller General.

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